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October 19, 2005

FRIED FRANK

**VIA CMF AND HAND DELIVERY**

The Honorable Joseph J. Farnan, Jr.  
United States District Court  
for the District of Delaware  
844 King Street  
Wilmington, DE 19801

**Re: October 21, 2005 Status Conference:  
Magten Asset Management Corp. (*In re: NorthWestern Corporation*)**

Your Honor:

Magten Asset Management Corporation ("Magten") writes to respectfully suggest the following agenda items for the Court's consideration at the Status Conference scheduled for 9:30 a.m. on October 21, 2005.

**1. Sequence**

As the Court is aware from Magten's letter of September 7, 2005 and accompanying chart, there are numerous appeals and cases set for trial involving Magten that are currently pending before the Court. Magten respectfully suggests, in the interest of judicial economy, that the Court turn first to the issues raised by appeal 05-0209 JJF (the "9019 Appeal") which, if decided in Magten's favor, would dispose of all other appeals and cases involving Magten.

The issues in the 9019 Appeal are discrete and involve primarily questions of law, such as contract formation and enforceability. This matter has been fully briefed and is ripe for adjudication.

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2. **Discovery**

The underlying transaction that Magten challenges as fraudulent involves the transfer of certain utility assets from the entity now known as Clark Fork & Blackfoot to NorthWestern in 2002. In addition to the obvious prejudice to Magten by the sheer passage of time, Magten faces the growing problem that personnel changes at the reorganized debtor will result in the unavailability of critical witnesses.

Although there may be other issues on which the parties will need to conduct discovery, Magten respectfully requests that discovery proceed immediately as to at least the following issues that are common to the matters pending before the Court:

- the capitalization of Clark Fork & Blackfoot LLC and NorthWestern before and after the transfer;
- the value of assets transferred; and
- the role of third parties in the challenged transaction.

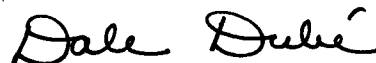
Magten proposes a 120-day period for completing fact and expert discovery on these issues.

Magten's counsel is available by telephone, should the Court have any questions prior to the October 21, 2005 Status Conference.

Respectfully submitted,

  
Bonnie Steingart

- and -



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